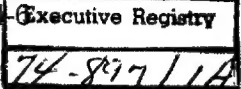


CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D.C. 20505



Not Signed: Handled Orally
on 29 Mar. 1974
(Per Joan OLC)
9/11/74

The Honorable Bill Gunter
House of Representatives
Washington, D. C. 20515

Dear Mr. Gunter:

*attach to 74-897/1
did 26 Feb.
F. Ingless*

I want to be as responsive to your letter of 25 February as I can, but the answers to most of your questions are beyond our capabilities and responsibilities. As you know, this problem is largely the province of the Federal Energy Office and its Administrator, Mr. Simon.

We agree with Mr. Simon that the Shah of Iran was incorrect in asserting that the volume of oil consigned by the world's oil producers to the American market this year is at the same level as last year. No Arab oil is now directly consigned to the U. S. because this would violate the rules of the embargo, as the Shah knows. The Shah might have meant that the same amount of Iranian oil is now consigned to the United States as last year. Last year our imports of crude oil from Iran were about 200,000 barrels per day. During the first two months of this year, our daily imports from Iran have been running 37% higher than during the same period of 1973.

While Arab countries have enjoined the international oil companies from shipping Arab oil directly to the U. S., statistics on U. S. imports since the embargo began last October suggest that shipments from non-Arab countries have increased.

I am aware of press reporting that some firms have been diverting crude oil supplies away from our shores in recent weeks because of the allocation program. Since we do not collect intelligence on the activities of American firms abroad, we cannot document this alleged diversion. I suggest that the oil companies themselves or FEO would be the proper source of such information.

Sincerely,

MORI/CDF Pages 1-2

W. E. Colby
Director

(EXECUTIVE REGISTRY FILE)

Subject: Director's response to Congressman Bill Gunter
re questions concerning our foreign oil supplies

CONCUR:

[Redacted Signature]

Deputy Director for Intelligence

8 MAR 1974

Date

STAT

ADDI/PVWalsh/tb (8 Mar 74)

Distribution:

Original - Addressee

- 1 - DCI w/cy basic
- 1 - DDCI w/cy basic
- ① - ER w/cy basic
- 1 - OLC w/cy basic
- 1 - D/OER w/cy basic
- 1 - [Redacted] w/cy basic
- 1 - DDI (File: OER) w/cy basic
- 1 - DDI (File: Congressional Relations) w/cy basic
- 1 - DDI Chrono w/cy basic

STAT

BASIC

TRANSMITTAL SLIP		
TO: OLC: ATTN: Joan		
ROOM NO.	BUILDING	
REMARKS:		
<p>Pls check status on this one; we have a note in file that OLC prepared a second draft on 3/14/74.</p> <p>(I would think this one was taken care of one way or another by now)</p> <p>Thank you. <i>9/1/74</i> Sophie</p> <p><i>no handled orally 29 Mar 74</i></p>		
FROM:		
ROOM NO.	BUILDING	EXTENSION
FORM NO. 241 1 FEB 55		
REPLACES FORM 36-8 WHICH MAY BE USED.		
(47)		

MEMORANDUM FOR:	The Director
Subject:	Congressman Gunter
<p>I suggest that our response to Congressman Gunter's letter of 25 February on oil be handled orally. If you do not agree, I have attached a draft letter which I think would be an adequate response without our saying any more than we have to.</p>	
<div style="border: 1px solid black; width: 150px; height: 20px; margin: 10px auto;"></div> <p style="text-align: center;">ADDI</p>	
Attachment	<u>8 Mar 1974</u> (DATE)

STAT

 FORM NO. 101
 1 AUG 54

 REPLACES FORM 10-101
 WHICH MAY BE USED.

(47)